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12 September 1984

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NOTE FOR: [redacted] A/NIO/EA

FROM: Herb Meyer, VC/NIC

SUBJECT: The Philippines

1. I commend this article to your attention, and suggest you distribute it widely among Intelligence Community analysts. If a number of assertions in this article are accurate, the Philippines may be in more trouble than our own work suggests. While judgments will differ, a number of facts, or alleged facts, in this article are checkable. I want to know the following:

-- Is it true that in May, the NPA destroyed a multimillion-dollar experimental coconut and cacao plantation owned by Eduardo Cojuangco and in Northern Luzan attacked facilities operated by the Cagayan Valley Development Authority?

-- Is it true that mining and logging company executives are paying a "revolutionary tax" of as much as $5,000 a month to the NPA?

-- Is it true that in eastern Mindanao, the army and the Philippine Constabulary have recently abandoned most of their platoon-sized outposts in the countryside in the face of superior NPA strength and have pulled back to larger garrisons in the towns and cities?

-- Is it true that Community Party leaders are debating whether or not to adopt aggressive new tactics to hasten the system's collapse?

-- Is it true that a Communist Party publication in spring 1984 revealed that the Party has dropped its adherence to the Maoist guerrilla doctrine of waging war only in the countryside, with the new aim of isolating and beseiging the cities?

-- Is it true that Party publications have dropped their pro-Chinese stance and now seem to be supporting some Soviet positions?

-- Is it true that the Philippine Communist Party and Soviet Bloc Parties have established contacts and that at least one shipment of arms from Eastern Europe was made through South Yemen to the NPA in the Philippines?

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2. These questions are answerable and I would like the answers even if you have to call Ross Munro and ask him for his sources.

HEM

Herbert E. Meyer

Attachment: a/s

DATELINE MANILA: MOSCOW'S NEXT WIN?

by Ross H. Munro

Before he was shot to death on the tarmac of Manila International Airport in August 1983, Filipino opposition leader Benigno Aquino, Jr., occasionally observed that the primary failing of President Ferdinand Marcos was not that he was an authoritarian leader but that he was an ineffective authoritarian leader. Aquino's assertion rings ever truer these days as the president grows physically and politically weaker and the Marcos era draws to a close. Few outsiders realize how precarious the overall political situation in the Philippines has become, with the government in disarray, the economy shrinking, and a bold communist guerrilla offensive under way.

Never before has Marcos seemed less able to preside effectively over the government. His legitimacy was permanently undermined by the Aquino assassination, as millions of Filipinos concluded that Aquino had been killed by Marcos lieutenants. Then, in the May 1984 elections, the president's widely perceived invincibility was equally damaged when, despite widespread irregularities in vote counting, some 60 genuine oppositionists were elected to the 183 contested seats in the national legislature, the Batasang Pambansa.

Marcos nonetheless will probably retain the presidency until at least 1987 unless he succumbs to his ailments. One rarely hears the comment so common a few years ago that Marcos is a leader with a keen sense of history who can be persuaded to depart the presidency with some honor.

That Marcos could end up posing a grave threat to the vital U.S. national interest in a stable Philippines was evidently not on the minds of Reagan administration officials in early 1981. Intent on demonstrating that they had rejected a generally perceived double

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standard of the Carter administration in dealing with pro-American dictatorships, then Secretary of State Alexander Haig, Jr., and Vice President George Bush journeyed separately to Manila to symbolize the new administration's support for Marcos. Both praised Marcos for holding a presidential election even though the election was rigged so thoroughly that no serious opposition candidate had run against him. Bush's public praise of Marcos, "We love your adherence to democratic principles," is still quoted, frequently and sarcastically, by Filipinos.

The Reagan administration slowly came to realize that its newly benign stance only encouraged Marcos's worst instincts. A few weeks after Bush's statement, an emboldened Marcos began reconsolidating his power and preparing, it seemed, for a dynastic succession. He appointed his one-time bodyguard and lifelong loyalist, General Fabian Ver, as chief of staff of the armed forces. It soon became clear that Ver's task was to insure that the military's primary loyalty was to the first family. Later Marcos appointed his wife, Imelda, to the Executive Committee, which would rule the Philippines in the event of his death. In summer 1982 Marcos heralded his long-coveted state visit to Washington with a crackdown on political opponents that suggested his lifting of martial law in January 1981 had been mere theater.

Then U.S. Ambassador Michael Armacost was described as "practically living at Malacañang," the presidential palace. His first priority, achieved in spring 1983 well ahead of schedule, was to negotiate a renewal of the agreement allowing Washington to maintain critical U.S. military facilities—Subic Bay Naval Base and Clark Air Base.

But even before that agreement was reached, the embassy and the administration were becoming apprehensive about Marcos's failing health, his evident dynastic ambitions, and his growing public contempt for what remained of the democratic opposition. In late June 1983 the U.S. media quoted unnamed senior State Department officials criticizing Marcos and declaring his regime to be in its "twilight." In July illness temporarily incapacitated Marcos. It was at this point that Aquino, after temporizing for months, made his fateful decision to end his exile in the United States and return home. Apparently the coalescence of all these events led a panicky ruling circle to mistakenly conclude that Washington had blessed an attempt by Aquino to succeed Marcos. Because Aquino had such powerful sponsors, his enemies apparently decided he could be stopped only by a bullet.

In the weeks following the assassination, many believed that Marcos would not recover from his serious illness. Thus his efforts over the preceding 2 years to position his wife and Ver to succeed him suddenly took on new, and alarming, significance. Since the two remain the object of unproved but widespread suspicion concerning the Aquino assassination, the prospect of their taking power still seems to guarantee political upheaval.

Within hours of the assassination, however, the State Department urged a swift, thorough, and impartial investigation, which Marcos ultimately agreed to. State continued to pressure Marcos in the weeks that followed. In a deft diplomatic pirouette, Armacost quickly distanced himself and the Reagan administration from the Marcos regime. He was a prominent mourner at the Aquino funeral and, in subsequent months, lobbied publicly and privately for several important reforms aimed at increasing political stability in the Philippines. He also joined with Filipino business leaders and the international banking community in pushing for a newly codified presidential succession mechanism.

Marcos agreed to appoint a new and more independent commission of inquiry into the Aquino assassination. By November the president had caved in on succession and agreed to constitutional changes that made it more difficult for his wife or anyone in the military to succeed him. Meanwhile, Washington canceled President Ronald Reagan's scheduled November 1983 visit to Manila, putting some needed symbolic distance between the White House and Malacañang. The decision touched off what might have been the first large, pro-Reagan demonstration held in a Third World country.

Meaningful Elections

U.S. diplomats quickly realized that American policy toward the Philippines should focus on the May 1984 elections for the Batasang Pambansa. The U.S. national interest was obvious. If pro-American moderates were to prevail after Marcos's departure from the scene, it was necessary to relegitimate the democratic process. And that could occur only with an election clean enough to give the opposition candidates a fighting chance.

The U.S. pressure on Marcos to hold "free and fair" elections was unrelenting. Public statements were reiterated even more bluntly in private. And in a letter dated March 29, 1984, Reagan warned Marcos that "continued movement toward fully functioning democratic institutions appropriate to the Philippines is the key to the rebuilding of both economic and political confidence after the difficulties of the last months." Representative Stephen Solarz (D.-New York), chairman of the House Foreign Affairs Subcommittee on Asian and Pacific Affairs, put Marcos on notice by pushing through an amendment that would reduce U.S. military aid promised to the Philippines by $60 million while increasing economic aid by the same amount.

Marcos bowed to U.S. pressure and agreed to modest electoral reforms that enticed some moderate opposition leaders, with U.S. encouragement, to participate in the campaign. These concessions did not assure many leftists and nationalist leaders, who joined with the communists in boycotting the election. But throughout the Philippines, serious candidates surfaced to oppose representatives of Marcos's New Society Movement. The opposition candidates had help from the newly formed National Citizens Movement for Free Elections, an organization that recruited tens of thousands of Filipinos to watch the casting and counting of ballots. The citizens movement may also have been part of the wide-ranging U.S. effort to force Marcos to hold a meaningful election; it received moral support from the U.S. embassy and reportedly a modest amount of secret financial support as well.

Watched closely by the United States, and

perhaps believing that the boycott would keep anti-Marcos voters at home, the government machine refrained from some of its usually blatant vote rigging. Despite subsequent attempts to fix official counts, genuine opposition candidates increased their number of legislative seats from a handful to approximately 60. Significantly, this successful U.S. interference in Philippine politics was welcomed by a broad spectrum of official and unofficial Filipino leaders.

But the opposition's electoral gains were not the only signs of political transformation. The upsurge of anger over the Aquino assassination had created a greater demand for political freedom than a compromised Marcos regime was able to withstand. By early 1984 and continuing past the elections, the Philippines could boast the liveliest and freest press in Southeast Asia. Opposition newspapers excoriated the Marcos government and ran front-page interviews with underground communist guerrilla leaders. On the streets, opposition and dissident groups flowered while labor union members, led by communist sympathizers, marched with red flags—sights unique in noncommunist Southeast Asia.

Under Marcos the corruption long endemic in the Philippines has been transformed into something akin to looting.

The further strengthening of democracy and human rights in the Philippines is largely a task for the reinvigorated opposition. For now, it is enough that the United States warn Marcos against any attempts at rolling back the considerable gains already made since Aquino's death. Instead, the main challenge the United States confronts in the Philippines today is the utter inability of its exhausted, dispirited, and discredited ally to cope with the collapsing economy and the burgeoning insurgency.

The Philippine economy has been sliding steadily downward since 1979. But even before then, the Marcos regime's failure to

promote sustained economic growth was becoming evident. Despite massive borrowing and the commodity price boom of the 1970s, for example, export growth lagged further and further behind the rest of East Asia. In 1965, the year Marcos was elected president, the value of Philippine exports was four times that of South Korea. By 1982 the situation was reversed: South Korea's exports were four times those of the Philippines. And what economic growth was achieved failed to benefit enough people. By the late 1970s, surveys by the regime's own technocrats demonstrated that the gap between rich and poor had been widening under Marcos and that most preschool children suffered from malnutrition.

The advent of the second oil shock in 1979, this time without an accompanying boom in the price of Philippine export commodities, laid bare the weakness and mismanagement of the Philippine economy. Under Marcos the corruption long endemic in the Philippines has been transformed into something akin to looting. To all the usual varieties of corruption—government regulations tailored for politically supportive business people, kickbacks on government contracts—Marcos added billions of dollars in loans, granted or guaranteed by government banks, to those in the business community who are known in Manila as the "Marcos cronies."

According to Filipino economist Bernardo Villegas, Marcos naively believed that, with unlimited credit, his business allies could establish Japanese-like zaibatsu—huge corporate groups that would rationalize and dominate the economy and give him economic support that would make his regime unchallengeable. Instead, Marcos's would-be economic samurai squandered their billions in waste, payoffs, and mismanagement.

The price of crony capitalism was revealed in a confidential 1979 World Bank report contending that economic growth in the Philippines lagged far behind the rate suggested by the investment level. Other statistics suggest that a dollar sunk into the Indonesian or Thai economy during the 1970s generated almost twice as much growth as one invested in the Philippines.

By summer 1983 a growing financial crisis, exacerbated by high international interest rates, was plaguing the economy. Some optimists believed the bottom had been reached. A chastened Marcos seemed to be pulling back from his cronies, a financial restructuring package was being discussed with the World Bank and the International Monetary Fund (IMF), and the American-led economic recovery promised to buoy exports and attract foreign investment.

It was then, on August 21, 1983, that Aquino returned home to Manila. In the ensuing political crisis, the economy rapidly deteriorated. As political turmoil increased, so did capital flight. Marcos was forced to devalue the peso on October 5 in the first of a series of postassassination devaluations. On October 14 a moratorium was placed on payments of the Philippine foreign debt, which now exceeds $25 billion. Even more troubling to international bankers was the Central Bank of the Philippines's subsequent confession that it had "overestimated" its reserves by $600 million. Manila had committed a sin that the bankers considered much worse than reaching the verge of bankruptcy: It had apparently cooked the books.

By mid-1984 inflation had topped 50 per cent on an annual basis with little relief in sight, and the money supply was more than 40 per cent higher than that of the previous year. And an independent conservative think tank in Manila, the Center for Research and Communication, is predicting 300,000 layoffs during the second half of 1984. Independent estimates of the 1984 contraction range up to 6 per cent; the government itself is predicting negative growth of about 2 per cent. With population growth still exceeding 2 per cent, the drop in per capita income will be even greater.

Although since 1979 the Philippine economy has failed to generate significant numbers of new wage-sector jobs, two safety valves seem to have prevented unemployment from becoming a politically explosive problem. One is overseas employment. The last several years have seen hundreds of thousands of Filipinos leave home to take jobs abroad, primarily in

the Middle East. But the growth in overseas jobs is slowing dramatically as the oil-exporting countries encounter their own financial limits.

The other safety valve also seems to be narrowing. Filipinos, including economists and politicians, have long believed that when times are hard in Manila the poor could always count on their extended families in the country. The rural family was always close enough to the food supply to feed one more. But lately limits to the countryside's absorptive capacity have appeared. After remaining static in numbers for several years, the agricultural work force has increased by 34 per cent, or 3 million people, since 1979, according to the best available statistics. Because farm output has not kept pace, rural underemployment has jumped. And into that breach since 1979 has come an employer that has lured many young men with promises of jobs that offer travel, adventure, and a vision of the future: the communist New People's Army.

The Communist Factor

Early in 1969 a group of young Maoists who had formed the Communist Party of the Philippines in Manila cemented an alliance with a surviving remnant of the old communist guerrilla movement, the Huks. That remnant, renamed the New People's Army (NPA) and reinvigorated with the well-educated and determined Manila Maoists, withstood many setbacks to develop into an insurgent movement that could be found in every major region in the Philippines by the end of the 1970s.

The early NPA focused its energy on establishing and consolidating sparsely populated areas where its guerrillas could roam with relative safety and secure food and shelter. The hinterland areas that they succeeded in consolidating were distinguished less by relative poverty than by the lack of any viable government presence. At the center of this vacuum was a lack of law and order, which the NPA exploited by, among other things, identifying unpunished thieves and executing them in front of a village population. This writer's extensive investigation throughout the Philippines established that the NPA also kills locals who refuse to go along with the guerrillas, from mayors who resist NPA efforts to take control of their small towns to citizens who merely speak out against the NPA.

The upsurge in the NPA's strength began in the wake of the second oil shock in 1979. The rise in urban joblessness drove Filipinos back to the countryside and created serious rural underemployment. Soon after, the price of coconuts, on which an estimated 40 per cent of rural families depend for at least part of their livelihood, collapsed. And where dependence on coconuts is highest, the Bicol region and the islands of Mindanao and Samar, the NPA grew the fastest.

Tellingly, the government estimates of NPA strength are viewed as less reliable than the claims of the communists themselves. In 1984 official figures have ranged up to a high of 6,810 guerrillas, offered by Marcos himself in a speech in May. Probably closer to the truth was an NPA claim that same month of a total force of 20,000 trained guerrillas making do with 10,000 guns. NPA bands now can be found in most of the 73 provinces. On the large southern island of Mindanao, they frequently move in groups of 100 to 200, swooping down on towns, police outposts, and military convoys and capturing pistols, rifles, ammunition, and with increasing frequency, heavier equipment such as grenade launchers and mortars.

In May, as if to prove that even the most powerful Filipinos are no longer immune, the NPA destroyed a multimillion-dollar experimental coconut and cacao plantation in the south owned by Eduardo Cojuangco and in northern Luzon attacked facilities operated by the Cagayan Valley Development Authority, a pet project of Defense Minister Juan Ponce Enrile, a native of that area.

As the NPA has grown in strength, so has its ability to raise large amounts of money. When guaranteed anonymity, executives of mining and logging companies readily admit that they pay a "revolutionary tax" of as much as $5,000 a month to the NPA. The alternative, as the insurgents frequently demonstrate, is for the

companies' trucks to be rolled off cliffs or for machinery to be burned.

This business support for the NPA represents only part of a nearly nationwide accommodation to the communist fact. In Bicol frightened mayors of middle-sized towns have reached working arrangements with local NPA groups; some of Bicol's police have sworn oaths of allegiance to the communists. Provincial governors disingenuously declare that there are "no NPAs here" in hopes of avoiding armed confrontations between the communists and the military.

The NPA's new, aggressive tactics have forced the armed forces to retreat or, as they might put it, regroup. In eastern Mindanao, the army and the Philippine Constabulary have recently abandoned most of their platoon-sized outposts in the countryside in the face of superior NPA strength and have pulled back to larger garrisons in the bigger towns and cities. Not that these larger towns and cities provide true sanctuary. In Davao, a sprawling city of more than one million on the east coast of Mindanao, the police and the military now walk the streets only in groups of three or more, carrying high-powered weapons. In northern Mindanao in the province of Agusan del Norte in 1984, the NPA temporarily seized a military outpost guarding one of the country's most important highway junctions and attacked police stations and a military intelligence headquarters in the city of Butuan.

Accommodations between the military and the communists seem to be occurring with increasing frequency and take many forms: the individual soldier who steals rifles and ammunition from his armory and sells them to the communists; the isolated unit, left without a vehicle or a radio, that ignores a communist "teach-in" only 200 yards from its outpost; local commanders who reach tacit live-and-let-live agreements with guerrillas. In Manila senior military officials say that even regional military commanders have been arranging such modi vivendi and calling them "pacification." The island of Samar, for example, was once rife with ugly encounters between the military and the NPA. Now it is relatively

quiet despite reports that the NPA has transformed Samar's interior into a sanctuary for training, as well as rest and recreation.

General Ver's Armed Forces

Defeatism in the field is just one sign of the rot afflicting the Philippine military today. After independence in 1946, the military could boast considerable professionalism. The training that officers received in both the Philippines and the United States was superior overall to that of most Third World officer corps. Political favoritism did influence promotions, but with the presidency changing hands every 4 years, a competent officer could usually count on being recognized.

But that has changed during Marcos's 19-year rule. Ver, a lowly army captain who had once loyally served the new president as a driver and bodyguard, rose rapidly under Marcos's patronage to become a general and chief of staff of the armed forces by 1981. He then reorganized the armed forces themselves to consolidate the control of the Marcos loyalists and to curtail drastically the power of independent professional officers such as Lieutenant General Fidel Ramos, the deputy chief of staff. Worse yet, perhaps, for the morale and effectiveness of the armed forces, officers who want to remain on the fast track must stay in Manila, close to the cliques around Ver. Officers sent to Mindanao to fight the guerrillas often languish there for many years, their careers effectively stalled.

The take-home pay of a Philippine army major in spring 1984 was 850 pesos, or about $42.50 a month. To survive, some officers accept the patronage of a senior officer who invites them to participate in rackets ranging from questionable business deals to smuggling, extortion, and protection. Other officers simply steal the money allocated for gasoline for their units' jeeps or for supplies earmarked for their soldiers. Many subordinates in turn survive by demanding petty payoffs at military checkpoints from farmers taking their produce to market.

By every credible account inside and outside the military establishment, morale has plunged and discipline deteriorated. Soldiers

in the field, for example, see wounded friends die because of lack of air transport to decent hospitals and later read about the fleet of government planes that flew guests to the wedding of the president's daughter. On subsequent patrols, these troops carefully avoid any clashes with the guerrillas that could wound them. They are no longer willing to die for this regime, its leader, or its top military officers.

As a result, the counterinsurgency effort is degenerating into farce and brutality. The only exceptions are the valiant efforts of a few thousand well-trained marines and scout rangers who are demonstrating in a few scattered areas that rural Filipinos prefer disciplined professional soldiers to the NPA guerrillas. But in the Philippines as a whole, there can be no effective, long-term campaign to win hearts and minds. Patrols are halfhearted, truncated, or carefully mapped to avoid contact with the enemy. In the larger towns off-duty soldiers are often drunk or abusive.

Extensive interviews with farmers, priests, and others in areas where the guerrillas are active suggest that the NPA over the last 5 years has probably killed many more civilians than has the military. But these same interviews suggest that the military is losing to the communists in part because the soldiers are nevertheless much more feared. The explanation for this apparent paradox is that the guerrillas are systematic in their ruthlessness. Small farmers know that if they maintain a low profile, appear to cooperate with the guerrillas, hand over the relatively modest amounts of food and money demanded, and, above all, remain silent about NPA killings in their villages, they have little to fear.

By contrast, the military is a wild card. Farmers live in fear of army patrols swooping into their barrios at night and arbitrarily taking them or their sons away for "questioning." When this does occur, local communists will make certain that the victims' families report the soldiers' actions to the authorities, to church activists, and perhaps to civil rights lawyers, who now can be found in almost every provincial capital.

It is not surprising, therefore, that a nation-

wide survey conducted in January and February 1983 by a Roman Catholic group of business people, the Bishops-Businessmen's Conference, discovered that most Filipinos blame the military, and then government officials, for the deterioration in law and order in the provinces.

The standing of the military was dealt its severest single blow in the Marcos era, however, by the Aquino assassination. Aquino was killed while surrounded by Philippine armed forces personnel, suggesting at best that the military was guilty of gross negligence. Few middle-class Manilans are prepared to be that charitable. By leaving a cloud over the country's top civil and military leaders, the assassination has further alienated from Marcos and Ver the committed professionals still remaining in the officer corps. For years many observers have speculated about "the unhappy young colonels," but only since the assassination have these officers been speaking out, even to foreigners. They condemn the Marcos administration in general but aim most of their specific criticism toward Ver. "The Armed Forces of the Philippines today make the Salvadoran army of 1979 look good," claims one knowledgeable analyst from afar.

The political, economic, and military situation in the Philippines is deteriorating so rapidly that Communist party leaders are debating whether or not to adopt aggressive new tactics to hasten the system's collapse and their own triumph. Recent NPA decisions to form larger fighting units and to attack high-visibility targets suggest that the aggressive approach, which would have been labeled "leftist adventurism" by the previous, more cautious party leadership, is already prevailing. Similarly, a Communist party publication in spring 1984 revealed that the party has dropped its adherence to the Maoist guerrilla doctrine of waging war only in the countryside, with the aim of isolating and besieging the cities. Instead, the party leadership has decided to launch a campaign of urban violence. The only remaining debate inside the party is over timing.

Worse, the Communist party may abandon its Maoist emphasis on self-reliance and active-

ly seek Soviet bloc help. Party publications have dropped their pro-Chinese stance and seem to be supporting some Soviet positions. The Philippine Communist party and Soviet bloc parties have established contacts and at least one shipment of arms from Eastern Europe was made through South Yemen to the NPA in the Philippines.

Although the NPA is still only a fraction of the size of the Philippine military, some leading party members believe that the current system will collapse very quickly. This prediction may be a communist daydream, but it is shared by a top defense ministry official, for whom it is a nightmare. He agrees that without significant military and government reforms, a national collapse is only 2 to 3 years away. What he fears and what the communists desire is a rough replay of the Cuban revolution, when a small band of guerrillas led by Fidel Castro triggered the implosive collapse of the government of Fulgencio Batista, which had alienated the middle and even much of the upper class with highly visible corruption and brutality.

The United States does not have to accept this scenario to be alarmed by developments in the Philippines today. Clark Air Base is one of the largest overseas U.S. military facilities and, like Subic Bay Naval Base, certainly one of the most strategically important. Recent studies make clear that the Subic Bay base is quite simply irreplaceable. The most frequently discussed alternative to Subic is Guam. But it would cost an estimated $2 billion to build naval facilities that, while adequate, would be far from equal to those at Subic. Even then, Guam's best harbor has too shallow a draft for some U.S. Navy cruisers and too small an area for attack carriers to maneuver. The inexpensive but highly skilled Filipino work force at Subic would be lost or brought to Guam at considerable economic and political cost. And for all this, the U.S. Seventh Fleet would be 4 additional days away from the South China Sea.[1] Moreover, the loss of Clark would present the U.S. Air Force with daunting

[1] *William H. Sullivan, "Relocating Bases in the Philippines,"* Washington Quarterly, *7, no.2 (Spring 1984).*

problems. The United States could live without these facilities only if it were willing to accept an immediate and drastic decline in U.S. power in the western Pacific, Southeast Asia, and the Indian Ocean.

The U.S. stake in the Philippines is further magnified by the special relationship Washington has with the only country that was once a U.S. colony. Arising from this history is a nebulous but real sense of obligation that the United States has felt toward the Philippines both before and after its independence.

A Welcome U.S. Intervention

These factors suggest to some Americans and many Filipinos that the United States should somehow dump the Marcos regime. Occasionally those promoting the dump-Marcos prescription or, more euphemistically, those urging Washington to orchestrate a peaceful transition to a post-Marcos government, suggest that the United States should also anoint a successor. Yet this line of thinking is wrong and naive. Even were there an obvious and attractive candidate to succeed Marcos—and there is not—selection by America would discredit him and endanger his life. And pushing Marcos out of power without knowing who or what would come next would be irresponsible. No one can safely predict what would happen if the United States toppled Marcos by, perhaps, suddenly cutting all U.S. aid and downgrading diplomatic relations. Some amenable, pro-American moderates committed to democracy might take his place. But the mix of political forces inside and outside the Marcos government is already a fluid one. A U.S.-provoked ouster of Marcos is more likely to saddle the Philippines with a military junta, a Marcos regime without Marcos, or a nationalist-leftist coalition lacking a popular base and highly vulnerable to communist influence. In every case, both the U.S. national interest and the people of the Philippines would suffer.

Yet the dangers of rash intervention do not argue for a nonintervention policy. Indeed, the United States has repeatedly intervened in Philippine affairs and usually with some success—most recently during the past year. An

end to U.S. pressure on Marcos to make further reforms would strike many Filipinos as the rankest intervention of all. There is not only an almost universal expectation among Filipinos that the United States will intervene in their country's affairs but an extraordinarily widespread desire that it do so. This desire reflects a neocolonial mindset held by most Filipinos that may be regrettable but that will not soon change. And it is a reality that the United States has little choice but to use to its advantage.

The huge Philippine constituency favoring U.S. intervention includes not only opposition leaders but also senior Marcos officials. Specifically, they would welcome pressure from the Reagan administration on behalf of reforms in the armed forces, the economy, and the government. Probably the most emphatic advocates of such an approach are at the top levels of the Philippine government, who strongly doubt that Marcos, in this period of political and physical decline, will make needed changes voluntarily.

A senior presidential aide says the Reagan administration should realize that "everything's negotiable" except Marcos's personal abdication. A deputy cabinet minister says that "everybody [in the Marcos government] accepts conditionality" on future U.S. aid. Even Enrile has made it clear that he will happily go along with strings requiring U.S. military aid to be used for equipment helpful in counterinsurgency.

At the moment, the United States has a poor idea of what assistance the Philippine counterinsurgency effort needs. In fact, there is still no meaningful and regular exchange of information between U.S. and Philippine diplomats and military officers on the antiguerrilla campaign. The U.S. embassy in Manila has only recently recognized that gathering information on the insurgency is of the highest priority; so far it has made only modest headway in that direction. One reason for this slow pace is that even inside the Philippine armed forces and the Marcos government, there is no free and frank flow of information about the military situation.

The United States should also be trying to

determine and helping to meet specific Philippine counterinsurgency needs, such as special training, military equipment, and supplies for civic action projects. Such low-key military help should be extended as soon as possible because Washington can do little more; virtually everyone interviewed agreed that even the dispatching of an occasional U.S. adviser to the field to fight with Philippine troops would mark a major victory for the communists, who have tried but so far failed to identify Americans as oppressors.

America's most astute Filipino friends, both inside and outside the Marcos government, are urging the United States to vigorously support efforts to rescue the armed forces from cronyism. U.S. help here will inevitably be limited, but it could prove crucial. Washington should signal Marcos that Ver's continuation as armed forces chief is unacceptable in the wake both of Aquino's assassination and of Ver's record of putting loyalty before competence. The United States should also make clear its support for Enrile's effort to enforce the mandatory retirement provision, which not at all coincidentally would lead to the removal of Ver and many of his cronies and permit wholesale changes in the military's command structure. No single reform will be more stoutly resisted by Marcos; loosening his hold on the armed forces will reduce his political security. But no other single reform promises such an early payoff as does a halt in the armed forces' decay.

Still, there is no purely military solution to the Philippine crisis. The Reagan administration should do everything in its power to foster a healthy economic recovery. Further, the U.S. embassy should strive to reduce or even eliminate U.S. aid that is channeled through the notoriously ineffective Ministry of Human Settlements, which is headed by the increasingly unpopular Imelda Marcos.

Perhaps most important in the economic sphere, the United States should support World Bank and IMF efforts to alter the distribution of wealth in the Philippines in favor of the rural areas. The international agencies are pushing for the dismantling of state-enforced marketing monopolies in the

sugar and coconut industries that would lead to increased prices for those commodities, a program of austerity measures, and a currency devaluation. All of these measures should increase rural incomes, decrease rural underemployment, and create obstacles to further guerrilla progress.

Any U.S. attempt to program the politics of the transition to the post-Marcos era would be arrogant and dangerous. But the United States must protect its investment in the newly codified presidential succession mechanism and in the newly revitalized legislature and constantly make clear its opposition to any attempt at political regression.

At the same time that it presses Marcos to make military and economic reforms and retain recent democratic reforms, the Reagan administration must continue distancing itself from him. In particular, the United States should continue its identification with the anti-Marcos, anticommunist middle class. Here, a modicum of American rudeness will do wonders. Of great importance, for example, will be Reagan's continued refusal to reschedule his Philippine trip. A Reagan visit is ardently desired by both Marcos and the communists for the same reason—it would closely identify the United States with this increasingly unpopular regime.

Marcos's people hope that economic and military reforms will increase the chances that Marcos, or at least his regime, will survive. The opposition believes that it could hasten his downfall. But the United States can press for change seeking neither to weaken nor to strengthen Marcos. The object should be to strengthen the Philippines as a whole as it approaches the uncertainties of the post-Marcos era.

In the difficult months and perhaps years to come, the United States must actively seek opportunities to further U.S. national interests in the Philippines and demonstrate to the Filipino people that the U.S. commitment transcends the Marcos era.

BACK ISSUES, REPRINTS

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